

Message Text

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PAGE 01 RIO DE 02714 161128Z
ACTION ARA-14

INFO OCT-01 ISO-00 SOE-02 AID-05 CEA-01 CIAE-00
COME-00 DODE-00 EB-08 DOE-15 H-01 INR-10 INT-05
L-03 NSAE-00 NSC-05 OMB-01 PM-05 ICA-11 OES-07
SP-02 SS-15 STR-07 TRSE-00 ACDA-12 PA-01 NRC-05
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FM AMCONSUL RIO DE JANEIRO
TO SECSTATE WASHDC 6359
INFO AMEMBASSY BRASILIA
AMCONSUL SAO PAULO

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E.O. 11652: N/A
TAGS: MNUC, TECH, ENRG
SUBJECT: FOUNDATION AND DRILLING PROBLEMS AT ANGRA DOS REIS
NUCLEAR POWER PLANT SITE

1. ROBERT N. RICH OF HUGHES TOOL COMPANY, AND CEDRIC D. BRIDGER, HUGHES TOOL DO BRASIL, PAID CALL ON ECON/COML OFFICER TO DISCUSS THEIR EFFORTS IN SELLING DRILLING EQUIPMENT FOR USE ON FOUNDATION WORK AT UNITS TWO AND THREE OF THE ANGRA DOS REIS NUCLEAR POWER PLANT. BOTH REPRESENTATIVES WERE INTERESTED IN GENERAL BACKGROUND INFORMATION ON THE NUCLEAR POWER PROGRAM IN BRAZIL.

2. RICH EXPLAINED THAT FURNAS CENTRAIS ELETRICAS, CONSTRUCTOR/OPERATOR FOR UNITS TWO AND THREE, HAD BECOME INCREASINGLY DISTURBED WITH THE PERFORMANCE OF CONSTRUTORA ODEBRECHT S.A., CONSTRUCTION FIRM RESPONSIBLE FOR FOUNDATION WORK AT ANGRA. HE ADDED THAT BECAUSE OF ODEBRECHT'S QUESTIONABLE PERFORMANCE, FURNAS HAD REQUESTED THE ASSISTANCE OF A U.S. FIRM, WHICH IN TURN, HAD REQUESTED
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PAGE 02 RIO DE 02714 161128Z

HUGHES TOOL'S ASSISTANCE IN REVIEWING DRILLING PROCEDURES AT ANGRA. RICH COMMENTED THAT PRESENCE OF TWO U.S. CONTRACTORS AT ANGRA HAS UNDOUBTEDLY UPSET A NUMBER OF THE WEST GERMAN REPRESENTATIVES AND FIRMS AT THE SITE, ODEBRECHT IN PARTICULAR. HE ADDED THAT HIS COMPANY WAS "TREADING THROUGH A FIELD OF EGGS" IN ITS RELATIONSHIP WITH FURNAS AND ODEBRECHT.

3. RICH SAID THAT DUE TO UNUSUAL ROCK AND SAND FORMATIONS AT ANGRA, ESTIMATES SHOWED THAT 2,800 PILES WOULD HAVE TO BE DRILLED FOR THE TWO UNITS. ADDITIONAL EQUIPMENT FOR DRILLING PURPOSES HAD NOT BEEN FORESEEN BY ODEBRECHT, HOWEVER, AND FOR THAT REASON THEY HAVE BEEN UNABLE TO MEET NEW ORDERS PLACED BY FURNAS. AS A RESULT, HUGHES TOOL HAS BEEN AWARDED A TWO MILLION DOLLAR CONTRACT FOR DRILLING EQUIPMENT, IN PARTICULAR, DRILL BITS. BOTH RICH AND BRIDGER SAID NEW ESTIMATES FOR COMPLETION OF FOUNDATIONS FOR UNITS TWO AND THREE WERE PUT AT THREE TO FOUR YEARS, IF NOT LONGER.

4. CONGEN OFFICER GAVE RICH AND BRIDGER A GENERAL BACKGROUND ON THE BRAZILIAN NUCLEAR PROGRAM, OUTLINING IT IN TERMS OF SIZE AND DEVELOPMENT TO DATE. RICH WAS NOT AWARE OF ENORMITY OF THE PROGRAM, AND EXPRESSED CONSIDERABLE INTEREST IN POSSIBLE FUTURE SALES. HE ADDED THAT HUGHES TOOL WAS EXTREMELY PLEASED WITH THEIR INITIAL CONTRACT WITH FURNAS, AND WERE ANSIOUS TO DO BEST JOB POSSIBLE WITH SALES AND DELIVERY, ESPECIALLY IF THERE WERE CHANCES FOR FUTURE SALES. RICH SAID HIS TEAM WOULD BE VISITING ANGRA SITE ONE MORE TIME PRIOR TO LEAVING BRAZIL, AND WOULD HAVE ADDITIONAL MEETINGS WITH FURNAS' REPRESENTATIVES. HE SAID THAT BASED ON THEIR KNOWLEDGE, FUTURE SALES WOULD DEPEND ON DRILLING CONDITIONS.

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PAGE 03 RIO DE 02714 161128Z

TIONS, AND BRAZILIAN REQUIREMENTS FOR EQUIPMENT WHICH ODEBRECHT COULD NOT PROVIDE. RICH ADDED THAT THE ODEBRECHT EQUIPMENT CURRENTLY BEING USED AT THE PLANT SITE CONSISTED OF DRILL SHAFTS PRODUCED IN WEST GERMANY, BUT USING HUGHES TOOL DRILL BITS WHICH HAD BEEN ADAPTED TO WEST GERMAN SYSTEM.
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Message Attributes

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